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**EXECUTIVE SECRETARIAT  
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Remarks

To Secretary to C/TTAC: Pls follow-up per our telecon.

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Executive Secretary

~~24 APR 1987~~  
Date

3637 (10-81)

Semiconductor Equipment  
and Materials Institute, Inc.



April 17, 1987

Mr. Robert Gates  
Deputy Director  
Central Intelligence Agency  
Washington, D.C. 20505

Dear Mr. Gates:

Washington Office

2000 L Street NW Suite 200  
Washington, D.C. 20036  
(202) 457-9584

Executive Registry

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Last month, SEMI invited you to an overview of the market in the People's Republic of China for semiconductor manufacturing equipment and materials. It is our hope that this overview would serve as a basis for further substantive discussions between our industry and the U.S. government on the general subject of export controls and U.S. competitiveness.

I am pleased with the positive response of U.S. government officials and I wish to re-state that the seminar will be held on May 6, 1987 at the Capitol Hilton Hotel in Washington, D.C. The program will begin at 8:30 a.m. and conclude at 12:00 p.m. A complimentary breakfast will be offered.

Enclosed is the agenda for this important meeting. Senior industry representatives will address specific areas of semiconductor manufacturing in China and will be available for follow up discussions and questions.

Please confirm your attendance at the meeting by calling Michael Ciesinski, in our Washington Office, at 202/457-9584.

I look forward to meeting with you on May 6, 1987.

Sincerely yours,

*William H. Reed*  
William H. Reed

Executive Director  
Semiconductor Equipment and Materials Institute, Inc.

WHR/mf

DCI  
EXEC  
REC

805 East Middlefield Road  
Mountain View, California 94043  
415.964.5111  
TELEX 856-777 SEMI-MNTV  
FAX 415.967.5375

L-260-11

**Introductory Session to Technical Benchmarking Seminars**

**Overview of the Market in the PRC  
for Semiconductor Equipment and Materials**

**May 6, 1987**

0830 - 0845	Registration
0845 - 0900	Welcome & Introduction William H. Reed Executive Director of SEMI
0900 - 0920	Overview of Market in the PRC Dr. James McMullen General Signal Corp.
0920 - 0940	Materials Stanley T. Myers Siltec Corp.
0940 - 1000	Wafer Processing Equipment Rosemarie Smallcombe Varian Associates, Inc.
1000 - 1010	- BREAK -
1010 - 1030	Lithography Ellery Buchanan GCA Corporation
1030 - 1050	Assembly Equipment Mark Klug Kulicke & Soffa Industries
1050 - 1110	Test Equipment  Teradyne, Inc.
1110 - 1130	Follow-up Questions
1130 - 1200	Wrap-up and Action plan

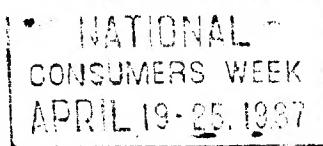
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Semiconductor Equipment  
and Materials Institute, Inc.



Mr. Robert Gates  
Central Intelligence Agency  
Washington, D.C. 20505

625 Ellis Street, Suite 212  
Mountain View, California 94043



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SUSPENSE

Date

Remarks

F. Y. I.

Executive Secretary  
2 Apr '87

Date

3637 (10-81)

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and Materials Institute, Inc.



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Washington, D.C. 20036  
(202) 457-9584

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March 27, 1987

Mr. Robert Gates  
Acting Director of Central Intelligence  
Washington, D.C. 20505

Dear Mr. Gates:

The Semiconductor Equipment and Materials Institute Inc. (SEMI), is an international trade association based in Mountain View, CA. SEMI represents over 850 U.S. companies that supply production equipment and materials to the semiconductor industry. Because of our extensive membership services program, including data collection, standards setting and trade exhibitions, SEMI has also attracted over 200 foreign companies into the association.

In essence, SEMI represents the majority of semiconductor equipment and materials manufacturers in all COCOM countries.

Over the last several years, SEMI has attempted to work closely with the U.S. government on, and has provided numerous recommendations concerning, export control and related national security issues. We have made this investment, through participation in technical advisory committees and briefings for administration officials, because export controls have a significant effect on our members' ability to remain competitive in world markets.

Recent reports of the Defense Science Board and the Panel on Materials Science of the National Materials Advisory Board have highlighted the importance of semiconductor technology to U.S. commercial prosperity and national security. It is vital for SEMI members to continue their commitment to developing advanced manufacturing technologies and products and for the U.S. government to assist us in meeting this commitment.

For some time, there have been strong differences between our industry and the U.S. government over the level of technologies and products that are eligible for export to newly industrializing countries such as Hong Kong, Taiwan and the People's Republic of China. In many cases, U.S. SEMI members have had export licenses denied for customers in these countries for a variety of national security reasons. We believe that many of these orders were subsequently filled by Japanese and European

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Mr. Robert Gates  
March 27, 1987  
Page 2

vendors, resulting in loss of U.S. market share and loss of R&D dollars.

To aid in realistic understanding of these differences, the SEMI membership offers to prepare and present a series of technical benchmarking seminars on our industry and its technology for U.S. government representatives. The purpose of the seminars is to identify a set of technologies and products that both industry and the government agree need to be controlled and to examine the proposed controls for their impact on national security and U.S. competitiveness.

As a beginning point, SEMI requests your sponsorship and participation in a meeting to discuss the market in China for semiconductor equipment and materials. This general discussion will be led by senior executives from our industry and will focus on the ability of the Chinese to manufacture microelectronics, their need for equipment and materials, and the ability of non-U.S. suppliers to meet this demand.

At the conclusion of the meeting, we would seek a joint resolution concerning the need, structure and forum for future sessions.

It is proposed that the meeting be held on May 6, 1987, from 8:30 a.m. to 12:00 p.m. at the Capitol Hilton Hotel, Washington, D.C.

If U.S. semiconductor equipment and materials manufacturers are to remain competitive in world markets, and if we are to reduce the trade deficit, then exports to the PRC and other countries in the Pacific Rim will be crucial. Sales in these markets will provide much needed revenue so that our extensive R&D budgets, which average 10-15% of sales, can be sustained.

Mr. Gates, SEMI believes that your department's sponsorship and participation in this first meeting is essential. If you have any questions concerning our proposal, or if you believe that a preliminary, informal planning session would be beneficial, please call me at (415) 964-5111 or (202) 457-9584.

I look forward to meeting with you on May 6, 1987.

Sincerely yours,

*William H. Reed*

William H. Reed  
Executive Director

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Materials Institute, Inc.

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